11 January 1965

DCI SENATORIAL BRIEFING

DOE review completed.

THE SOVIET MILITARY POSTURE

- I. The Intelligence Community has recently comthe annual
 pleted g series of important estimates on the
 principal components of Soviet military
 power.
 - A. These estimates conclude that there have been significant changes in the direction of certain Soviet military programs, including a marked movement toward achieving quality improvements.
- II. Let me preface these conclusions by saying that we have a high degree of confidence in these estimates because—for the last two or three years and particularly this year—they rest on a base of evidence which is broader and far more solid than any we have had before.

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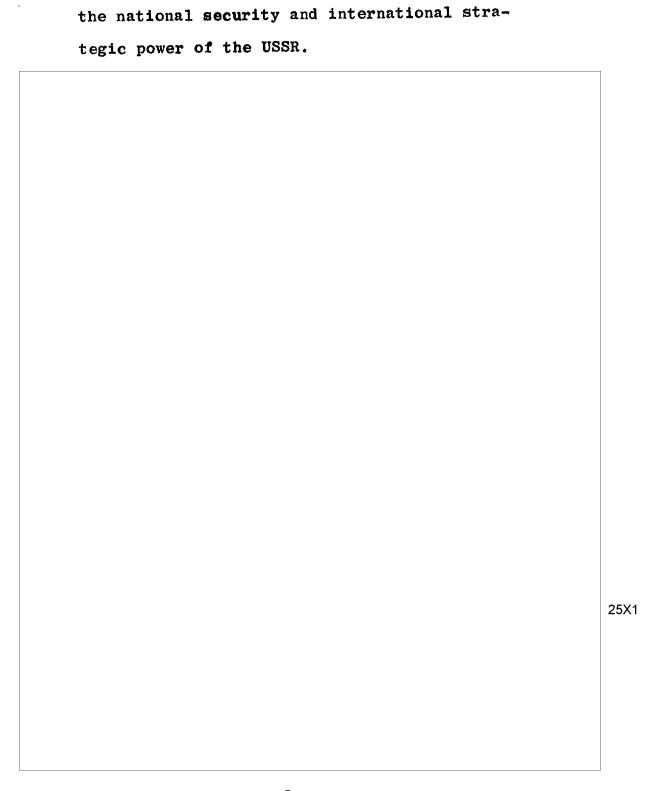
CONCLUSIONS

I. It is apparent that the Soviets are pursuing a dynamic, progressive military program, with advances under way in almost all important sectors of their military power. It is a sophisticated program directed more toward quality than toward quantity. There is always the possibility that the program we have observed might achieve a breakthrough of some sort which could redress the present balance of power.

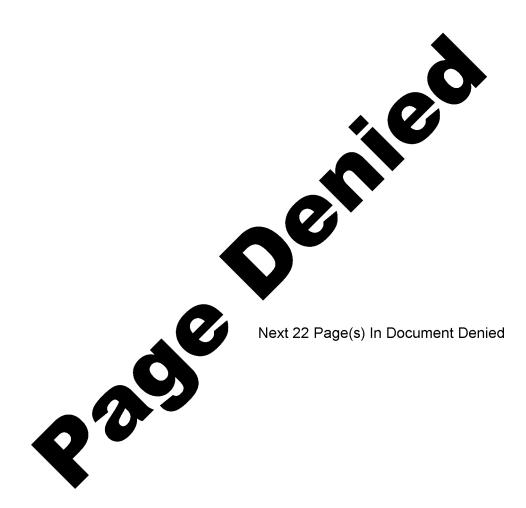
Specifically, these are our major conclusions:

 New and improved ICBMs are being developed, and hardened launchers are being deployed in a dispersed pattern.

- 2. Tactical strike forces, ground and air, are being equipped with increasingly advanced and more powerful weapons, both nuclear and conventional.
- 3. The Soviets are producing new and improved submarines with increased capabilities, equipped with both cruise and ballistic missiles. They are increasingly capable of long-range operations.
- 4. Antiaircraft defenses are being strengthened.
- 5. The Soviets are energetically pursuing research and development on antiballistic missile systems. Some ABM deployment may already be under way.
- 6. There is a strong possibility that the Soviets are directing their efforts toward an anti-satellite capability.
- 7. Facilities for the production of special nuclear materials for weapons are being expanded.
- II. Few if any of these appear to be crash programs, but they do reflect a dynamic effort—an in—sistent determination to achieve qualitative advances in military power which will assure



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BRIEFING NOTE FOR DCI

THE SOVIET ECONOMY

- I. The development of this large and diversified military establishment has been expensive and has imposed considerable strain on the economy.
 - A. The mass deployment of many advanced weapons systems was responsible for part of the slowdown in Soviet economic growth which has occurred over the past five years.
- II. Our analysis indicates, however, that the economy can continue to support a vigorous military and space program.
 - A. Expenditures on these programs may level off between now and 1970. On the other hand, they might continue to rise by as much as 20 percent. In either event, the economy will continue to grow.
 - B. In short, we do <u>not</u> estimate that economic pressures will inexorably drive the Soviet Union to cut arms spending drastically or accept new arms control measures.

